



AMERICAN SHORT LINE AND  
REGIONAL RAILROAD ASSOCIATION

*The Voice of America's Independent Railroads*

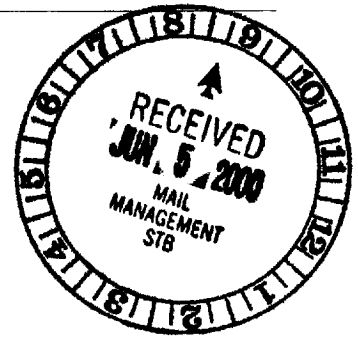
Alice C. Saylor  
Vice President & General Counsel

198865

Office of the Secretary

JUN 5 2000

public record



June 5, 2000  
Via Messenger

Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K. Street, N.W.  
Washington, D.C. 20423-0001

**Re: STB Ex Parte No. 582 (Sub-No. 1),  
Major Rail Consolidation Procedures**

Dear Secretary Williams:

Attached for filing with the Surface Transportation Board are the original and 25 paper copies of the Reply Comments of the American Short Line and Regional Railroad Association being submitted for filing in the above-captioned proceeding. A copy on diskette is also enclosed.

Please date-stamp the duplicate copy to indicate receipt and return it to the messenger. Thank you.

Sincerely,

  
Alice C. Saylor

198863

Before the  
Surface Transportation Board  
Washington, D.C.

STB Ex Parte No. 582 (Sub-No. 1),  
Major Rail Consolidation Procedures



**REPLY COMMENTS OF THE AMERICAN SHORT LINE AND REGIONAL  
RAILROAD ASSOCIATION**

The American Short Line and Regional Railroad Association (ASLRRA) is submitting these reply comments on behalf of its 418 short line and regional railroad members in accordance with the schedule established in the Advance Notice of Proposed Rulemaking (ANPRM) in the above-captioned proceeding (Decision served March 31, 2000).

The American Short Line and Regional Railroad Association (ASLRRA) is a non-profit trade association incorporated in the District of Columbia. ASLRRA represents the interests of its short line and regional railroad members in legislative and regulatory matters. Short line and regional railroads are an important and growing component of the railroad industry. Today, they operate and maintain 29 percent of the American railroad industry's route mileage (approximately 50,000 miles of track), and account for 9 percent of the rail industry's freight revenue and 11 percent of railroad employment.

ASLRRA's comments filed on May 16<sup>th</sup> urge the Board to revise its rules relating to Class I mergers in order to add conditions to implement the "Short Line and Regional Railroad Bill of Rights." The Bill of Rights was first outlined in ASLRRA President Frank Turner's testimony before the Board on March 8<sup>th</sup> as part of the public hearing in this proceeding.

In ASLRRA's view, the bill of rights should be imposed by the Board as a condition of its approval of any future Class I merger or consolidation transaction. These conditions are

intended to enhance competition within the railroad network. They would ensure small railroads:

- The right to compensation for service failures,
- The right to interchange and routing freedom,
- The right to competitive and nondiscriminatory pricing, and
- The right to fair and nondiscriminatory car supply.

ASLRRA's comments present suggested rule changes to implement the Bill of Rights and reflect a new policy approach. ASLRRA's suggested rule changes can be incorporated within the scope of the larger rule changes that the Board will consider, and in ASLRRA's view are consistent with the aims of this Ex Parte No. 582 (Sub-No. 1) proceeding.

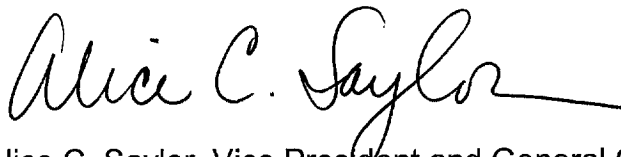
It is not only ASLRRA's view that this is the direction in which the Board should head. A chorus of other voices is saying similar things. A broad range of interests and groups, from other short line and regional railroads, to the U.S. Departments of Transportation and Agriculture, to numerous shipper groups and individual shippers, to individual States, several common themes emerge. The series of rail mergers has gone too far. The competitive balance within the industry has fundamentally changed. Too many routing, ratemaking and service options have been eliminated. Something must be done.

There seems to be an unprecedented and growing degree of consensus on these fundamental points. There are a number of rather remarkably consistent threads that run through many of the comments. They focus on problems with competition, service, routes, rates and gateways. Concern with protecting the competitive role that small railroads can play and preserving the service they provide at the fringes of the network is reflected in many of the commenting parties' statements. The Short Line and Regional Railroad Bill of Rights is directly responsive to this set of concerns.

\* \* \* \* \*

ASLRRA again urges the Board to revise its rules to include the changes suggested by ASLRRA in its comments, and include the "Short Line and Regional Railroad Bill of Rights" as a condition of its approval of any future class I merger or consolidation transaction.

Respectfully submitted,

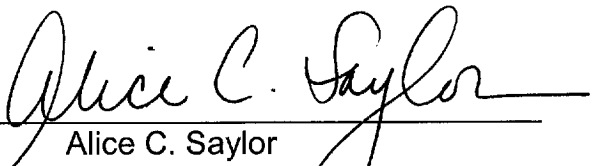
A handwritten signature in black ink that reads "Alice C. Saylor". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Alice C. Saylor, Vice President and General Counsel  
American Short Line and Regional Railroad Association  
1120 G. Street, N.W.; Suite 520  
Washington, D.C. 20005  
(202) 628-4500, Fax (202) 628-6430

Date: June 5, 2000

**CERTIFICATE OF SERVICE**

I hereby certify that on this 5th day of June, 2000, I have caused a copy of these reply comments of the American Short Line and Regional Railroad Association in STB Ex Parte No. 582 (Sub-No. 1) to be served by first-class U.S. mail, postage prepaid, on every party of record on the service list for this proceeding.

  
\_\_\_\_\_  
Alice C. Saylor

Date: June 5, 2000